



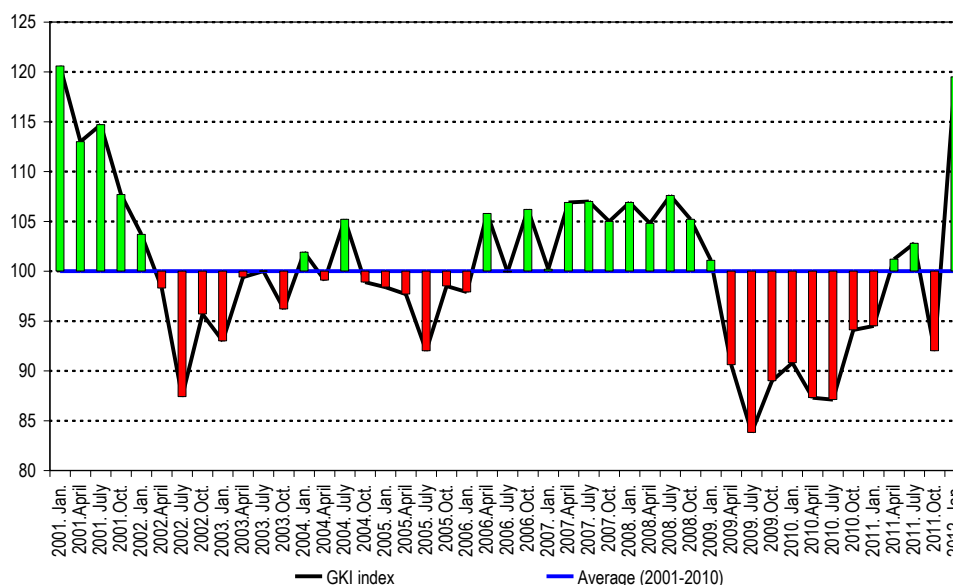
Real estate market: no upturn yet

(Current situation and outlook of the Hungarian real estate market, January 2012)

In October of 2011 the GKI Budapest Real Estate Market Index plummeted (-11 points). In January of 2012 this index shows slight increase compared to the previous quarter (+1,5 points). Since the index practically stagnates, the plunge three months ago indicated long-lasting negative tendency.

GKI Economic Research Co. has been conducting quarterly surveys since spring 2000 to assess the plans, intentions and prospects of businesses, real estate developers, realtors and households in the real estate market. This research project is supported by the trade magazine **Ingatlan és Befektetés** (Real Estate and Investment). The Budapest Real Estate Market Index of GKI synthesizes the expected outlook for the individual market segments (including the residential, office space, retail space and warehouse markets), and provides an overall view of the entire real estate sector. In particular, the index reflects the relationship between supply and demand as well as the future plans and expectations of market actors.

GKI Budapest Real Estate Market Index, 2001-2012
(seasonally adjusted data)



In January 2011 in order to better understanding the calculation method of GKI Budapest Real Estate Market Index was slightly modified. On the first hand, seasonally adjusted data will be published in the future. On the other hand, we will not compare to an 'ideal' market situation but to the long term average of this index. In the future value 100 will represent this long term average.

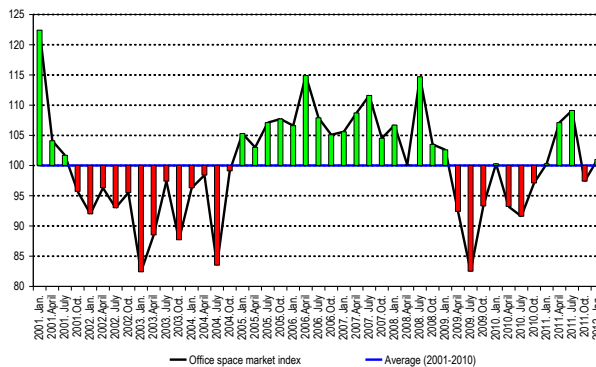
Office space market

Occupancy rates on the Budapest office space market

	Type A (%)	Type B (%)
Pest	75 (73.5)	79 (76.5)
Buda	75 (75)	74 (75)

The results of the previous, October 2011 survey are shown in parentheses.

Budapest office space market index, 2001-2012

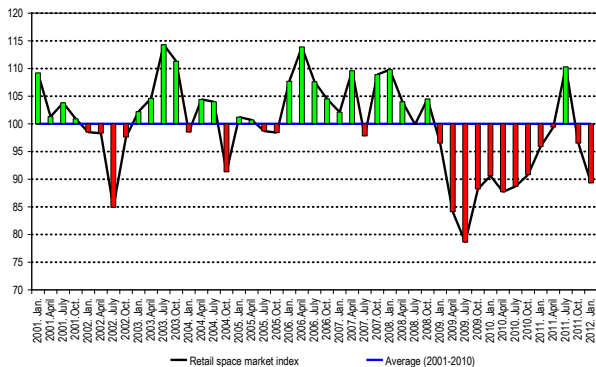


Expectations of the realtors are almost stagnating. In the background of slight increase in office space market index there is a significant growth in demand of Hungarian firms.

According to realtors during the next year a slightly improving market situation can be expected in Western-Hungary but some improvement can be imagined in Western-Hungary.

Retail space market

Retail space market index in Budapest, 2001-2012

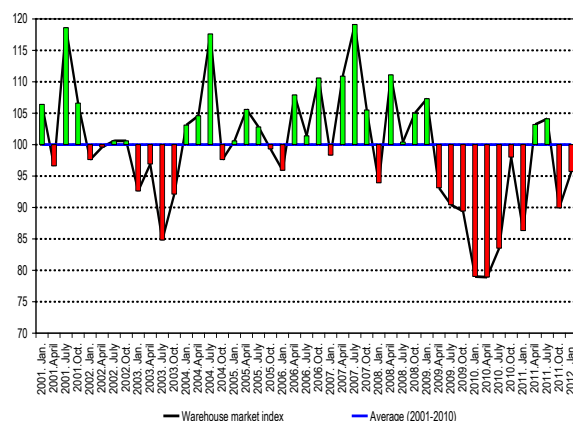


Retail trade sales practically stagnated in 2011. Outlook are not favourable: consumption of the Hungarian households will probably decrease in 2012.

According to realtors during the next year an unchanged market situation can be expected in Eastern- and Western-Hungary. Expectations on the capital market are worse than they were three months ago.

Market of warehouses

Warehouse market index in Budapest, 2001-2012

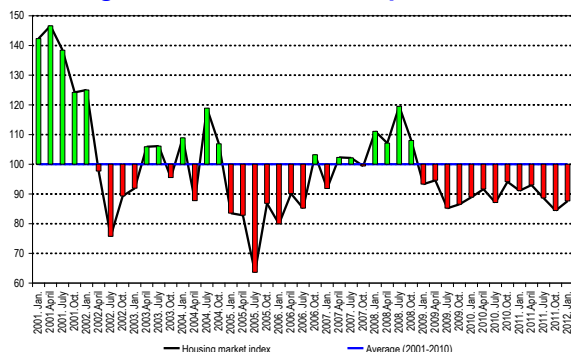


Only a few entry was registered in the Hungarian warehouse market in 2011.

On the basis of the received replies, an unchanged situation can be expected in the next 12 months in Eastern-Hungary. Some improvement can be imaged in Budapest. Expectations on the western part of the country are significantly worse than they were a quarter ago.

Residential market

Housing market index in Budapest, 2001-2012



Assessments of residential market shows slight improvement compared to the previous quarter in country total and in Budapest as well. It is because the period of final payback of FX loans stimulated the market.

For the next 12 months, responding developers and realtors expect an improving market in Budapest. In Eastern-Hungary an unchanged situation can be forecast, in the western part of the country further deterioration can be imagined.

According to the January of 2012 survey data, household expectations for home building and purchase touched the 'historical' bottom.

Prices

Expectations regarding prices of new real estate in the next 12 months

(Percentage changes compared with current prices)

	Budapest	Pest County	Western Hungary	Eastern Hungary	Country average
Residential unit	0 (-1,5)	0 (-2)	0 (0)	0 (-3)	0 (-1,5)
Office space	-2 (1,5)	0 (0)	0 (0)	-1 (0)	-1 (0,5)
Retail space	-1 (0)	0 (0)	0 (-1)	-1 (-2)	-0,8 (-1)
Warehouse	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)

The results of the previous, October 2011 survey are shown in parentheses.

Expectations regarding prices of existing real estate in the next 12 months

(Percentage changes compared with current prices)

	Budapest	Pest County	Western Hungary	Eastern Hungary	Country average
Residential unit	-3,7 (-2,9)	-3 (-3)	-2,3 (-3,7)	-3 (-4,3)	-3 (-3,5)
Office space	-2,5 (0)	-2 (0)	-6 (-8)	-2 (-3)	-4 (-4)
Retail space	-2 (0)	0 (-6)	-1 (-8)	-1 (-5)	-1,3 (-5)
Warehouse	-1 (-1)	0 (0)	-5 (-8)	-1,5 (-1)	-2,5 (-3)
Construction lots	-1(0)	2 (-8)	-2,5 (-2,5)	0 (-2)	-1,5 (-2)

The results of the previous, October 2011 survey are shown in parentheses.